

COMMENTS AND QUESTIONS FOR
IEPR AND RENEWABLES COMMITTEES WORKSHOP ON
ACCELERATED RENEWABLE ENERGY DEVELOPMENT
03-IEP-01, 02-REN-1038, and 04-DIST-GEN-1 August 27, 2004

AGENDA ITEM 3 Unbundled Renewable Energy Certificates

The unbundled renewable energy certificates are subject to the same failing as we have found in our low-income housing purchase credits. Builders choose to pay the fee rather than build the housing, because of the inconvenience of production processes and materials in their projects, and due to the perception of detriment of mixed neighborhoods.

Renewables, especially in the distributed generation process, are “inconvenient”, especially when compared to opportunities to buy large quantities of power from centralized sources. To counteract the effects of inconvenience, we need both regulation and incentive. We need Energy Commission officials to choose incentive—to replace regulation wherever regulation is not required to protect the public. If unbundled certificates would allow utility companies to evade the goal of 20% renewables by 2010. Then utilities must not be allowed to buy the certificates/renewable credits separate from the energy.

QUESTION: What will be the repercussions of an individual utility failure to meet the 20percent by 2010 goal? What repercussions if a utility chooses not to buy renewables? What monetary incentive can be provided for utilities and for producers who meet the 2010 goal? Would incremental goals incentive speed the process toward the intents of SB1038 and SB1078?

AGENDA ITEM 4 Barriers to reaching 20 percent/ 2010

Do detailed analysis of costs allotment to various renewables, and use it in an educational campaign to persuade RPS bidders to obtain sites for their installations that are more dispersed, instead of huge central station production on “remote, less costly land.” Contracts with owners of large industrial complexes to site PV systems on their roofs could reduce the demand for transmission line access, might replace some of the demand for peaking plants, and if incentive were given for installation on new large community development industrial and commercial roofs, combined with the residential PV installations, would surely minimize the transmission capacity needs.

Investing in massive overhead transmission systems in areas of million dollar homes may be too costly in land value, aesthetic costs and potential health hazards.

AGENDA ITEM 5 Performance-based incentives

The German performance based system appears to be successful. Ask the administrators of that system these questions, then the questions can be more effectively addressed.

It is not necessary, and possibly less viable to approach this from an either-or consideration. Perhaps both capacity based and performance based incentives can be combined to advantage?

We do need performance based process to give the homeowner PV electricity producer an incentive to conserve, and to reschedule usage to other than the middle-day hours of the hot summer days. An annual bonus for electricity produced---in excess of usage---is needed.

The Nunez bill proposal for an added 25-30 cents per month ratepayer investment in our grandchildren's future is an obviously effective solution. It could provide a fund from which PV installations could be provided through 0 interest loans, repaid monthly in lieu of utility bill charges. The loans should be available for the spectrum of residential, commercial, industrial, school, hospital, government buildings. The capacity based incentive should only be needed to get the program rolling, until the PV installations become a usual standard construction on new buildings, and re-roofing of old buildings.

AGENDA ITEM 6 PV IN NEW HOMES

The Million Solar Homes Initiative and the suggestions of the last paragraph of Item 5, must be publicized and promoted---and legislated. Comments on that initiate proposal are attached. Please consider them.

The end of the oil age is coming, and the age of oil wars has begun. Let's short circuit it, by moving California from dependency on the oil and nuclear industries into production of the benign, non polluting, abundant energy age.

AGENDA ITEM 7 NET METERING CAPS

Net metering caps should be raised, on the regulation side of the equation---and incentive to cause the utilities to choose to move beyond the caps should be provided on the other side of the equation. Would double credit, or triple, or ? for distributed energy renewables bring the utilities into more willing compliance and participation in the grand goal of making California a demonstration of environmentally, economically, health enhancing, national security planning and visionary development?

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Attachment

COMMENTS ON CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY MILLION SOLAR HOMES INITIATIVE

According to the summary of this proposal, it is a very complex, detailed plan to move forward Governor Schwarzenegger's January 6, 2004 pledge to action goal of "50% of new homes (to)include solar photovoltaics."

The Draft plan goals would be to achieve the 50% in ten years---a million homes with 2kw roof-top solar generation of electricity---in 13 years, rebates decline to zero in ten years, the 2,700 megawatts of energy generation would fill projected need for 36 new "peaker" plants of 75 MW each(to avoid potential blackouts in times of peak demand), would avoid 50 million tons of CO2 from fossil fuel plants, and would provide a measure of energy security and independence.

The plan would entail a 25 to 30 cents per month per ratepayer household for ten years to generate \$100 million per year for solar installation rebates, approximately the cost of investment of \$30 million per peaker plant, for the 36 needed new generating facilities.

Recommendations for Governor and legislators:

1. Grab this one and run with it---revise draft as necessary to make the plan more available to a wide spectrum of citizens.
2. Explore the opportunity to include "new roof" installations to the "new house" specification(same economic benefits).
3. Consider channeling the sales tax from purchase of the solar systems into a matching fund for installation of solar systems on State government buildings First, then on school district buildings, then on county/city buildings
4. Consider whether the Energy Procurement Surcharge should provide a fund for industrial and commercial building solar installations---if it is levied on industrial and commercial ratepayers
5. Consider a revision to initiate a 50-60 cent surcharge (double the draft proposal), to speed the achievement of energy independence and greater security from possible terrorist action.

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6. Assess the viability of the proposed 25 year warranty requirement. The major expense---the solar panels---are proving to have lives in excess of 22 years, but the 2kw system inverters , are running 7-8 years before replacement at about \$1,000.. The experience in Germany and Japan was that the increasing volume of installations gradually brought down the costs of the systems.
7. Require that the net metering cap be lifted to allow rapid expansion of the program.
8. A 50% of costs rebate from the fund ---and projected 10 year payback--- should win routine installation on new construction. If the fund is not expended by residential installations, then it could be used to hasten the schools, hospitals, government buildings installations, if our goal is rapid transition from the costly, polluting, dependence on centralized generation and terrorist threat. The 15% by 2010 should not be necessary with this generous incentive. Incentive is always better than coercion.
9. Rooftop solar electric generation can solve the Energy Commission's current major crises: PEAK TIME DEMAND(hot summer mid-days when the solar units are most productive),NEW TRANSMISSION LINE FUNDING (energy goes directly to use below the roofs), VULNERABILITY TO PRICE MANIPULATIONS, AIR QUALITY DEMANDS, RELIABILITY (no 5 months down time such as that of the fires at San Onofre during the energy crisis), DEPENDENCY ON FOREIGN OIL, and VULNERABILITY TO TERRORIST ACTS

August 7, 2004 Lyn Harris Hicks for CREED (Coalition for Responsible and Ethical Environmental Decisions) 949 492 5078 FAX same